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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should immediately consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **CHEONG MING INVESTMENTS LIMITED**, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**CHEONG MING INVESTMENTS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

**DISCLOSEABLE AND CONNECTED TRANSACTION
DISPOSAL OF PROPERTIES**

Financial adviser to Cheong Ming Investments Limited



Optima Capital Limited

**Independent financial adviser to the Independent Board Committee and
the Independent Shareholders**

Hercules
Hercules Capital Limited

A letter from the Independent Board Committee is set out on page 11 of this circular and a letter from Hercules, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 17 of this circular.

A notice convening the SGM to be held at Tang Room II, Sheraton Hong Kong Hotel and Towers, 20 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 9 July 2008 at 9:30 a.m. is set out on pages 34 to 36 of this circular. Whether or not you intend to attend the meeting or any adjourned meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

23 June 2008

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	11
Letter from Hercules	12
Appendix I – Properties valuation report	18
Appendix II – General information	28
Notice of the SGM	34

DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context otherwise requires:

“Agreement(s)”	the First Agreement and the Second Agreement
“associates”	has the meaning as ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Cheong Ming Investments Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal under the Agreements
“connected person”	has the meanings as ascribed to it in Rule 1.01 and Chapter 14A of the Listing Rules
“Consideration”	HK\$24,740,000, being the aggregate amount of money payable to the Vendors by the Purchaser for the Properties
“Directors”	directors of the Company
“Disposal”	the proposed disposal of the Properties by the Vendors
“First Agreement”	the sale and purchase agreement dated 2 June 2008 entered into between the First Vendor and the Purchaser pursuant to which the First Vendor has agreed to sell and the Purchaser has agreed to purchase the First Properties
“First Properties”	Factory Unit A of 2nd, 9th and 10th floors, Factory Unit B of 5th, 9th and 10th floors and Car Parks Nos. 4, 11 and 20 on the ground floor located in Mai Sik Industrial Building, Nos. 1/11 Kwai Ting Road, Kwai Chung, New Territories, Hong Kong
“First Vendor”	Capital Asset Management Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hercules”	Hercules Capital Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Agreements and the transactions contemplated therein

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	20 June 2008 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors formed to advise the Independent Shareholders in respect of the Agreements and the transactions contemplated therein
“Independent Shareholders”	Shareholders other than the Purchaser and his associates
“Independent Third Party”	a party who is a third party independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this circular
“Properties”	the First Properties and the Second Properties
“Purchaser”	Mr. Lui Shing Ming Brian, the purchaser of the Properties and an executive Director
“Second Agreement”	the sale and purchase agreement dated 2 June 2008 entered into between the Second Vendor and the Purchaser pursuant to which the Second Vendor has agreed to sell and the Purchaser has agreed to purchase the Second Properties
“Second Properties”	Factory Unit A of 6th floor and Factory Unit B of 6th and 13th floors located in Mai Sik Industrial Building, Nos. 1/11 Kwai Ting Road, Kwai Chung, New Territories, Hong Kong
“Second Vendor”	Cheong Ming Press Factory Limited, a wholly-owned subsidiary of the Company
“SGM”	the special general meeting of the Company to be convened and held at Tang Room II, Sheraton Hong Kong Hotel and Towers, 20 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 9 July 2008 at 9:30 a.m. to approve the Agreements and the transactions contemplated therein

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor(s)”	together, the First Vendor and the Second Vendor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.”	square feet
“sq. m.”	square metres
“%”	per cent.

LETTER FROM THE BOARD



CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

Directors:

Lui Chi (*Chairman*)

Lui Shing Ming Brian (*Managing Director*)

Lui Shing Cheong

Lui Shing Chung Victor

Lam Chun Kong*

Lo Wing Man*

Ng Lai Man, Carmen*

* *Independent non-executive Directors*

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head office and principal

place of business:

Unit 2608, Level 26

Metroplaza, Tower II

223 Hing Fong Road

Kwai Fong

New Territories

Hong Kong

23 June 2008

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF PROPERTIES

INTRODUCTION

On 3 June 2008, the Board announced that on 2 June 2008, the Vendors, each a wholly-owned subsidiary of the Company, entered into the Agreements respectively with the Purchaser to sell to the Purchaser or companies nominated by him the Properties located in Mai Sik Industrial Building, Nos. 1/11 Kwai Ting Road, Kwai Chung, New Territories, Hong Kong for an aggregate cash consideration of HK\$24,740,000.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Purchaser is an executive Director and therefore, a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules and is subject to the approval by the Independent Shareholders at the SGM to be taken by poll.

LETTER FROM THE BOARD

An Independent Board Committee has been established to advise and give recommendation to the Independent Shareholders regarding the Agreements and the transactions contemplated therein. Hercules has been appointed by the Company as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Agreements and the transactions contemplated therein.

The purpose of this circular is to provide you with, among other things, (i) further details of the Agreements and the Disposal; (ii) letter from the Independence Board Committee in relation to the Agreements; (iii) letter of advice from Hercules to the Independent Board Committee and the Independent Shareholders in relation to the Agreements; and (iv) the notice convening the SGM at which resolutions will be proposed to consider and if thought fit, approve, among other things, the Agreements and the transactions contemplated therein.

THE FIRST AGREEMENT

Date: 2 June 2008

Parties:

Vendor: Capital Asset Management Limited, a wholly-owned subsidiary of the Company

Purchaser: Mr. Lui Shing Ming Brian, an executive Director

Asset to be disposed of:

Subject to the terms and conditions of the First Agreement, the First Vendor shall sell and the Purchaser or companies nominated by him shall acquire from the First Vendor the First Properties comprising Factory Unit A of 2nd, 9th and 10th floors, Factory Unit B of 5th, 9th and 10th floors and Car Parks Nos. 4, 11 and 20 on the ground floor located in Mai Sik Industrial Building, Nos. 1/11 Kwai Ting Road, Kwai Chung, New Territories, Hong Kong. Further information on the First Properties is set out in the paragraph headed “Information on the Properties” below and in appendix I of this circular respectively.

Consideration:

The consideration payable by the Purchaser to the First Vendor amounts to HK\$17,290,000 payable as follows:

- (i) as to HK\$1,729,000, representing 10% of the consideration, paid on signing of the First Agreement as a refundable deposit, which amount (together with any accrued interest) shall be refunded to the Purchaser if the First Agreement is not completed for any reasons, including but not limited to the conditions to the First Agreement (as described below) not being fulfilled, save by reason of the default of the Purchaser; and
- (ii) as to the balance of HK\$15,561,000 be payable in cash upon Completion.

LETTER FROM THE BOARD

The consideration was arrived at after arm's length negotiation between the First Vendor and the Purchaser and by reference to the valuation of the First Properties of HK\$17,290,000 as at 30 April 2008, valued by an independent property valuer appointed by the Company. The First Properties have been valued on market value basis assuming sale with existing tenancies and by using the investment approach.

THE SECOND AGREEMENT

Date: 2 June 2008

Parties:

Vendor: Cheong Ming Press Factory Limited, a wholly-owned subsidiary of the Company

Purchaser: Mr. Lui Shing Ming Brian, an executive Director

Asset to be disposed of:

Subject to the terms and conditions of the Second Agreement, the Second Vendor shall sell and the Purchaser or companies nominated by him shall acquire from the Second Vendor the Second Properties comprising Factory Unit A of 6th floor, Factory Unit B of 6th and 13th floors located in Mai Sik Industrial Building, Nos. 1/11 Kwai Ting Road, Kwai Chung, New Territories, Hong Kong. Further information on the Second Properties is set out in the paragraph headed "Information on the Properties" below and in appendix I of this circular respectively.

Consideration:

The consideration payable by the Purchaser to the Second Vendor amounts to HK\$7,450,000 payable as follows:

- (i) as to HK\$745,000, representing 10% of the consideration, paid on signing of the Second Agreement as a refundable deposit, which amount (together with any accrued interest) shall be refunded to the Purchaser if the Second Agreement is not completed for any reasons, including but not limited to the conditions to the Second Agreement (as described below) not being fulfilled, save by reason of the default of the Purchaser; and
- (ii) as to the balance of HK\$6,705,000 be payable in cash upon Completion.

The consideration was arrived at after arm's length negotiation between the Second Vendor and the Purchaser and by reference to the valuation of the Second Properties of HK\$7,450,000 as at 30 April 2008, valued by an independent property valuer appointed by the Company. The Second Properties have been valued on market value basis assuming sale with existing tenancies and by using the investment approach.

OTHER PRINCIPAL TERMS OF THE AGREEMENTS

The Properties are currently charged to a bank mortgagee to secure general banking facilities granted to the Group. The Properties will be sold free from the existing mortgages.

LETTER FROM THE BOARD

The Properties will be sold subject to existing lettings to Independent Third Parties. The rental deposits held by the Vendors in respect of such lettings are to be transferred to the Purchaser upon Completion. The Purchaser agrees to indemnify and keep indemnified each of the Vendors against any claims by the tenants for the refund of such rental deposits to them.

The First Properties are agreed to be sold to the Purchaser subject to an existing building order for the repair or replacement of loose and defective windows frame and glazing in respect of Factory Unit A on the 10th floor of the First Properties. The Second Properties are agreed to be sold to the Purchaser subject to an existing building order for the repair or replacement of loose and defective windows frame and glazing in respect of Factory Unit A on the 6th floor of the Second Properties. All costs for compliance with and discharge of the aforesaid building orders are to be borne by the First Vendor and Second Vendor respectively.

CONDITIONS OF EACH OF THE AGREEMENTS

Completion of each of the Agreements is conditional upon the following:

- (1) approval to the sale of the subject properties (i.e. the First Properties in respect of the First Agreement and the Second Properties in respect of the Second Agreement) and all transactions contemplated under the relevant Agreement by the Independent Shareholders is given by way of a majority vote at the SGM in accordance with the Listing Rules; and
- (2) compliance with all requirements (if any) of the Listing Rules as are applicable to the sale of the subject properties (i.e. the First Properties in respect of the First Agreement and the Second Properties in respect of the Second Agreement) and all transactions contemplated under the relevant Agreement,

by not less than seven business days before 31 July 2008 (or such later date as the relevant Vendor and the Purchaser may agree in writing) (the “Long Stop Date”). The vote by the Independent Shareholders at the SGM will be taken by poll.

The Agreements are not inter-conditional upon each other. If the above conditions for completion of any of the Agreements shall not be fulfilled by the Long Stop Date, either party to such Agreement may by notice in writing to the other forthwith determine the sale and purchase as contemplated under such Agreement whereupon the sale and purchase as contemplated under such Agreement shall from the date of such determination be null and void and of no further effect and none of the parties shall have any obligations and liabilities or any claim against the other under such Agreement.

Completion of each of the Agreements will take place within 7 business days after the date of fulfilment of the above conditions for completion (or such other date as the relevant Vendor and the Purchaser may agree).

INFORMATION ON THE PROPERTIES

The Properties are held by the Vendors for rental use. The Properties excluding car parking spaces are industrial premises with an aggregate gross floor area of approximately 56,500 sq. ft., comprising approximately 38,500 sq. ft. for the First Properties and approximately 18,000 sq. ft. for the Second

LETTER FROM THE BOARD

Properties. The aggregate gross rental income generated from the Properties for the year ended 31 March 2008 amounted to approximately HK\$2.2 million (2007: approximately HK\$2.0 million) and net income (after deducting all outgoings, expenses and taxes) contributed to the Group for the same year amounted to approximately HK\$1.6 million (2007: approximately HK\$1.4 million).

REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries comprise manufacture and sale of paper cartons, children's novelty books, hangtags, labels, shirt paper boards and plastic bags and commercial printing, property holding and investment, and investments holding. The operating environment for the manufacturing business of the Group in the PRC has been increasingly difficult with the introduction of the new PRC labour law with effect from 1 January 2008 and the appreciation of the PRC Renminbi against the United States currency. The printing industry in the PRC has seen escalating production costs and decreasing profit margin in the past year. In view of this, the Company has been exploring other business opportunities and propositions that will deliver long-term sustainable growth for the Group, with a view to reducing the Group's reliance on manufacturing activities. To this end, the Company proposes to redeploy its assets and realise its investment in the Properties to make funds available for other business investments when suitable opportunities arise. The Properties were used to be occupied by the Group for its own manufacturing facilities, but had become surplus to its need when the Group had relocated all its manufacturing facilities to the PRC in the late 1990's. The Disposal will generate estimated net proceeds of about HK\$24.3 million, which shall be used for funding the new business development of the Group in future and enhancing the working capital of the Group. As at the Latest Practicable Date, no investment targets have been identified. The Consideration is equivalent to the unaudited carrying value of the Properties, as measured using the fair value, in the management accounts of the Group as at 30 April 2008. The Properties will be sold free from the existing mortgages and the bank has verbally agreed that the release of the Properties as part of the securities securing the bank borrowings of the Group will not affect the existing banking facilities of the Group. Based on the above, it is expected that the total assets and the total liabilities of the Group would not be materially affected as a result of the Disposal.

Save for the professional fees and expenses (excluding the expenses relating to existing building orders of approximately HK\$2,000 as mentioned in the section headed "Other principal terms of the Agreements" above) incurred or to be incurred by the Company relating and incidental to the Agreements (which are estimated to amount to approximately HK\$440,000), completion of the Agreements will not give rise to any profit or loss over the carrying values of the Properties for the Group. The Directors consider that the terms of the Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Purchaser is an executive Director and therefore, a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules and is subject to the approval by the Independent Shareholders at the SGM to be taken by poll. As at the Latest Practicable Date, the Purchaser and his associates are interested in a total of 323,970,036 Shares, representing approximately 53.18% of the existing share capital of the Company. The Purchaser and his associates, who control or are

LETTER FROM THE BOARD

entitled to exercise control over the voting rights of such Shares, are required to abstain from voting in respect of the proposed ordinary resolutions to approve the Agreements and the transactions contemplated therein at the SGM under the Listing Rules.

An Independent Board Committee comprising the three independent non-executive Directors, namely Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man Carmen has been established to advise and give recommendation to the Independent Shareholders regarding the Agreements and the transactions contemplated therein. Hercules has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Agreements and the transactions contemplated therein. The text of the letter of advice from Hercules containing its recommendations in respect of the Agreements and the transactions contemplated therein is set out on pages 12 to 17 of this circular.

PROCEDURES FOR DEMANDING A POLL BY THE SHAREHOLDERS

According to bye-law 66 of the Bye-laws of the Company, a resolution put to vote of the SGM shall be decided on a show of hands unless (before or on the declaration of the result of voting of a resolution on a show of hands at the SGM or on the withdrawal of any other demand for a poll) a poll may be demanded by:

- (a) the chairman of the SGM; or
- (b) at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the SGM; or
- (c) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than 10 per cent. of the total voting rights of all the members having the right to vote at the SGM; or
- (d) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the SGM being shares on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right.

SGM

A notice convening the SGM to be held at Tang Room II, Sheraton Hong Kong Hotel and Towers, 20 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 9 July 2008 at 9:30 a.m. is set out on pages 34 to 36 of this circular. Whether or not you intend to attend the meeting or any adjourned meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the terms of the Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM.

The Independent Board Committee, having taken into account the advice of Hercules, considers that the terms of the Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends that the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Agreements and the transactions contemplated therein. The full text of the letter from the Independent Board Committee is set out on page 11 of this circular.

GENERAL

Your attention is drawn to the valuation report on the Properties and further information relating to the Group contained in the appendices to this circular.

By order of the Board
Cheong Ming Investments Limited
Lui Chi
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Agreements:



CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

23 June 2008

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF PROPERTIES

We have been appointed as members of the Independent Board Committee to advise you in connection with the Agreements and the transactions contemplated therein, details of which are set out in the letter from the Board contained in the circular (the “Circular”) of the Company dated 23 June 2008. Terms defined in the Circular shall have the same meanings herein, unless the context otherwise requires.

Having taken into account the advice and recommendation of Hercules as set out on pages 12 to 17 of the Circular, we are of the opinion that the terms of the Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Agreements and the transactions contemplated therein.

Lam Chun Kong

Yours faithfully,

Lo Wing Man

Ng Lai Man, Carmen

Independent Board Committee

LETTER FROM HERCULES

The following is the text of a letter of advice from Hercules prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Disposal.

Hercules **Hercules Capital Limited**

1503 Ruttonjee House
11 Duddell Street
Central
Hong Kong

23 June 2008

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF PROPERTIES

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the Disposal, details of which are set out in the letter from the Board contained in the circular dated 23 June 2008 to the Shareholders (the “Circular”), of which this letter forms part. Terms used in this letter have the same meanings as defined elsewhere in the Circular unless the context requires otherwise.

On 2 June 2008, the Vendors, each a wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreements, pursuant to which, the Vendors have agreed to sell, and the Purchaser has agreed to acquire, the Properties located in Mai Sik Industrial Building, Nos. 1/11 Kwai Ting Road, Kwai Chung, New Territories, Hong Kong for an aggregate cash consideration of HK\$24,740,000.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Purchaser is an executive Director and therefore, a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules and is subject to the approval by the Independent Shareholders at the SGM to be taken by poll. As at the Latest Practicable Date, the Purchaser and his associates were interested in a total of 323,970,036 Shares, representing approximately 53.18% of the existing issued share capital of the Company. The Purchaser and his associates will abstain from voting in respect of the proposed ordinary resolutions to approve the Agreements and the transactions contemplated therein at the SGM under the Listing Rules.

LETTER FROM HERCULES

The Independent Board Committee, comprising all the independent non-executive Directors, namely Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man Carmen, has been established to advise and give recommendation to the Independent Shareholders regarding the Agreements and the transactions contemplated therein. We, Hercules Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the Disposal, in particular as to whether the terms of the Agreements and the Disposal are fair and reasonable and on normal commercial terms so far as the Independent Shareholders are concerned and in the interests of the Company and its Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the information and representations supplied, and the opinions expressed, by the Directors and have assumed that such information and statements, and representations made to us or referred to in the Circular are true, accurate and complete in all material respects as of the date hereof and will continue as such at the date of the SGM. The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular. We have no reasons to suspect that any material information has been withheld by the Directors, or is misleading, untrue or inaccurate, and consider that they may be relied upon in formulating our opinion. The Directors confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no material facts not contained in the Circular the omission of which would make any statement in the Circular misleading.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the businesses or affairs or future prospects of the Group. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the Disposal, we have considered the following principal factors and reasons:

1. Background to and reasons for the Disposal

The principal activity of the Group is manufacture and sale of paper cartons, children's novelty books, hangtags, labels, shirt paper boards and plastic bags and commercial printing.

As stated in the letter from the Board, the Properties excluding car parking spaces are industrial premises with an aggregate gross floor area of approximately 56,500 sq. ft., comprising approximately 38,500 sq. ft. for the First Properties and approximately 18,000 sq. ft. for the Second Properties. The Properties were occupied by the Group for its own manufacturing facilities before the relocation of all its manufacturing facilities to the PRC in the late 1990's. After the relocation, the Properties are held for rental purpose. As at the Latest Practicable Date, all premises comprising the Properties were leased to Independent Third Parties. The aggregate gross rental

LETTER FROM HERCULES

income generated from the Properties for the year ended 31 March 2008 was approximately HK\$2.2 million (2007: approximately HK\$2.0 million) and the net income contributed to the Group (after deducting all outgoings, expenses and taxes) for the year ended 31 March 2008 was approximately HK\$1.6 million (2007: approximately HK\$1.4 million).

According to the Directors, the operating environment for the manufacturing business of the Group in the PRC has been increasingly difficult. The introduction of the new PRC labour law which took effect from 1 January 2008 and the consistent appreciation of the PRC Renminbi against the United States currency have boosted the production costs and thus the profit margin of the printing industry has been further eroded. In order to lessen the Group's reliance on its manufacturing activities, the Company has been exploring other business opportunities and propositions that will deliver long-term sustainable growth for the Group. With a view to make funds available for other business investments when appropriate opportunities arise, the Directors consider that it is in the interest of the Group to redeploy its assets and realize its investments in the Properties.

According to an article published by the Chairman of the Hong Kong Printers Association in January 2008, the business environment of the printing industry has been increasingly tough and unstable. It is expected that the production cost will continue to ascend in the coming year due to the rise of raw material cost, especially the paper cost which had increased by over 10% in 2007, and the estimated increase of labour cost by approximately 20% to 30% after the introduction of the new PRC labour law. The persisting appreciation of PRC Renminbi also escalates the manufacturing cost and the currency risk of the companies in the industry. Furthermore, the lowering of export tax refund rate on certain paper products by 8% in July 2007 has also placed pressure to the printing industry. In light of the above, we concur with the Directors' view that it may be beneficial for the Group to diversify its business and seek for other business opportunities that offer long-term growth prospects for the Group.

While there are currently no concrete investment targets identified or new business development plans formulated, the Directors expect that additional funding may be required for the Group's new business development and the Company may miss the investment opportunities if it cannot respond promptly to the funding needs. Given that property holding is not a core business of the Group and the Disposal will provide additional funding for new business development of the Group, we concur with the view of the Directors that the entering into of the Agreements to dispose of the Properties is in the interests of the Company and its Shareholders as a whole.

2. Principal Terms of the Disposal

(a) Consideration

The Consideration is HK\$24,740,000, of which HK\$17,290,000 represents the consideration for the First Properties while the balance of HK\$7,450,000 is for the consideration of the Second Properties. The Consideration was arrived at after arm's length negotiation between the Purchaser and the First Vendor and the Second Vendor for the First Properties and the Second Properties respectively, by reference to the valuation of the First Properties of HK\$17,290,000 and Second Properties of HK\$7,450,000 as at 30 April 2008, valued by an independent property valuer.

LETTER FROM HERCULES

The consideration of HK\$17,290,000 shall be payable in cash by the Purchaser to the First Vendor as follows:

- (i) as to HK\$1,720,000, representing 10% of the consideration, paid on signing of the First Agreement as a refundable deposit; and
- (ii) as to the balance of HK\$15,561,000 be payable upon Completion.

The consideration of HK\$7,450,000 shall be payable in cash by the Purchaser to the Second Vendor as follows:

- (i) as to HK\$745,000, representing 10% of the consideration, paid on signing of the Second Agreement as a refundable deposit; and
- (ii) as to the balance of HK\$6,705,000 be payable upon Completion.

The refundable deposits paid under the Agreements (together with any accrued interest) shall be refunded to the Purchaser if the Agreements are not completed for any reasons, including but not limited to the conditions to the Agreements not being fulfilled, saved by reason of the default of the Purchaser.

To assess the fairness and reasonableness of the Consideration, we have reviewed the valuation report of the Properties as set out in Appendix I to the Circular.

As stated in the valuation report prepared by LCH (Asia-Pacific) Surveyors Limited (the “Valuer”), an Independent Third Party, the market value of the First Properties and the Second Properties was approximately HK\$17,290,000 and HK\$7,450,000 respectively as at 30 April 2008, which was the same as the consideration of the First Properties and the Second Properties respectively.

We noted that market value basis was used by the Valuer to arrive at the market value estimates for the Properties by assuming sale with existing tenancies, by using the investment approach. We also understand from the Valuer that given the particulars of the Properties, the market value basis is a common valuation method in arriving at the valuation and such approach is in compliance with the standards and guidelines set out in the International Valuation Standards (8th Edition 2007) published by the International Valuation Standards Committee as well as the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors and in compliance with the requirements of Chapter 5 of the Listing Rules. Given the valuation methodology applied by the Valuer is normal and usual among professional asset valuers and is in compliance with the standard published by the International Valuation Standards Committee and the Hong Kong Institute of Surveyors, we are of the opinion that the basis for determining the valuation of the Properties by the Valuer is appropriate and fair and reasonable and the basis for determining the Consideration is also fair and reasonable so far as the Company and its Shareholders are concerned.

LETTER FROM HERCULES

(b) Mortgages and rental deposits

The Properties are currently charged to a bank mortgagee to secure general banking facilities granted to the Group. The parties to the Agreements agreed that the Properties will be sold free from the existing mortgages.

The parties to the Agreements also agreed that the Properties will be sold subject to the existing lettings to Independent Third Parties. The rental deposits held by the Vendors in respect of such lettings, which amounted to approximately HK\$241,500 as at the Latest Practicable Date, are to be transferred to the Purchaser upon Completion. The Purchaser agrees to indemnify and keep indemnified each of the Vendors against any claims by the tenants for the refund of such rental deposits to them.

Given that the titles, risks and benefits of the Properties should be transferred to the Purchaser upon Completion, we consider that the treatments of the mortgages and the rental deposits are on normal commercial term and are fair and reasonable so far as the Company and its Shareholders are concerned.

(c) Existing building orders

The First Properties are agreed to be sold to the Purchaser subject to an existing building order for the repair or replacement of loose and defective windows frame and glazing in respect of Factory Unit A on the 10th floor of the First Properties. The Second Properties are agreed to be sold to the Purchaser subject to an existing building order for the repair or replacement of loose and defective windows frame and glazing in respect of Factory Unit A on the 6th floor of the Second Properties. All costs for compliance with and discharge of the aforesaid building orders are to be borne by the First Vendor and the Second Vendor respectively, which is estimated to be in aggregate of approximately HK\$2,000.

Having considered that the building orders were given before the entering into of the Agreements, we concur with the Directors' view that it is fair and reasonable so far as the Independent Shareholders are concerned and on normal commercial terms for the Vendors to bear the costs for compliance with and discharge of the building orders.

3. Financial effects of the Disposal

(a) Earnings

No gain or loss on disposal of the Properties would be recorded by the Group as the Consideration is equivalent to the unaudited carrying amount of the Properties, as measured using the fair value, in the management accounts of the Group as at 30 April 2008.

Based on the net rental income of approximately HK\$1.6 million for the year ended 31 March 2008 and the market value of the Properties of approximately HK\$24.74 million, the Properties currently have a yield of approximately 6.5%. The effect of the Disposal on future earnings of the Group depends on the investment return to be generated from the proceeds of the Disposal. Should the Group be able to generate investment return in excess

LETTER FROM HERCULES

of 6.5% from the proceeds of the Disposal, the Group's earnings shall be further improved. Otherwise, the Disposal may have a negative impact on the Group's earnings.

(b) Cashflow

After deducting the professional fees and expenses incurred or to be incurred by the Company relating and incidental to the Agreements of approximately HK\$440,000, the Disposal shall generate estimated net proceeds of approximately HK\$24,300,000. Therefore, the Disposal shall give rise to a net cash inflow totaling HK\$24,300,000 for the Group.

(c) Working capital

The Group intends to use part of the net proceeds from the Disposal as general working capital of the Group. Therefore, the working capital of the Group would be further enhanced after Completion.

(d) Net asset value and gearing

It is expected that the Disposal shall not impose any material impact on the net asset value and gearing of the Group as the Consideration shall be settled in cash upon Completion.

In light of the possible enhancement of the Group's future earnings and the expected improvement in the Group's cashflow and working capital, we consider that the Disposal is in the interests of the Company and its Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors and reasons stated above, we consider that the terms of the Agreements are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned and the Disposal is conducted in the ordinary and usual course of business and is in the interests of the Company and its Shareholders as a whole. We therefore recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolutions to approve the Agreements and the transactions contemplated thereunder at the upcoming SGM.

Yours faithfully,
For and on behalf of
Hercules Capital Limited
Louis Koo **Amilia Tsang**
Managing Director *Director*

The following is the text of the letter, summary of values and valuation certificate on the Properties as at 30 April 2008 prepared by LCH (Asia-Pacific) Surveyors Limited for the purpose of inclusion in this circular.



利駿行測量師有限公司

LCH (Asia-Pacific) Surveyors Limited

CHARTERED SURVEYORS

PLANT AND MACHINERY VALUERS

BUSINESS & FINANCIAL SERVICES VALUERS

The readers are reminded that the report which follows has been prepared in accordance with the guidelines set by the International Valuation Standards, Eighth Edition, 2007 (the “IVS”) published by the International Valuation Standards Committee as well as the HKIS Valuation Standards on Properties, First Edition, 2005 (the “HKIS Standards”) published by the Hong Kong Institute of Surveyors (the “HKIS”). Both standards entitle the valuer to make assumptions which may on further investigation, for instance by the readers’ legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. If additional documents and facts are made available, the valuer reserves the right to amend this report and its conclusions.

17th Floor
Champion Building
Nos. 287-291 Des Voeux Road
Central
Hong Kong

23 June 2008

The Board of Directors
Cheong Ming Investments Limited
Unit 2608, Level 26
Metroplaza, Tower II
223 Hing Fong Road
Kwai Fong
New Territories
Hong Kong

Dear Sirs,

In accordance with your instructions to value the properties in which Cheong Ming Investments Limited (hereinafter referred to as the “Company”) and its subsidiaries (hereinafter together with the Company referred to as the “Group”) have interests in Hong Kong, we confirm that we have conducted physical inspection, made relevant enquiries and obtained such further information as we consider necessary to support our findings and our opinion of values of the properties of the Group as at 30 April 2008 (hereinafter referred to as the “Date of Valuation”) for the Company’s internal management reference purpose and to be incorporated into a Company’s circular for its shareholders’ reference.

We understand that the management of the Company will incorporate our work product (i.e. this letter, the attached summary of values and the valuation certificate) as part of its business due diligence and we have not been engaged to make specific sale or purchase recommendations. We further understand that the use of our work product will not supplant other due diligence, which the management of the Company should conduct, in reaching its business decisions regarding the properties valued. Our work is designed solely to provide an independent valuation that will allow the management of the Company to make an informed decision.

BASIS OF VALUATION AND ASSUMPTIONS

According to the IVS, which the HKIS Standards also follows, there are two valuation bases in valuing property, namely market value basis and valuation bases other than market value. Our valuations of the properties are on market value basis.

The term “Market Value” is defined as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Our valuations of the properties are on the basis of Market Value. The properties have been valued on market basis assuming sale with existing tenancies by using the investment approach. This approach considers the sales, listing or offerings of similar or substitute properties and related market data establishes a value estimate by processes involving comparison. The underlying assumption of this approach is that an investor will pay no more for a property than he or she would have to pay for a similar property of comparable utility.

Our valuations have been made on the assumption that the owner sells the properties on market in their existing states without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to increase the values of the properties.

Unless otherwise stated, we have not carried out a valuation on a redevelopment basis and the study of possible alternative development options and the related economics do not come within the scope of our work.

In valuing the property in Hong Kong in which the Government Lease had already expired before 30 June 1997, we have taken into account Section 6 of the New Territories Leases (Extension) Ordinance 1988 (Chapter 150 of the Laws of Hong Kong). According to the above ordinance, the lease of the property had already been extended without premium until 30 June 2047, and that an annual rent at three per cent. of the rateable value of the property has been charged from the date of extension.

MATTERS THAT MIGHT AFFECT THE VALUES REPORTED

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions, and outgoings of an onerous nature which could affect their values.

As at the Latest Practicable Date of this circular, we are unable to identify any adverse news against the properties which may affect the reported values in our work product. Thus, we are not in the position to report and comment on its impact (if any) to the properties. However, should it be established subsequently that such news did exist at the Date of Valuation, we reserve the right to adjust the values reported herein.

ESTABLISHMENT OF TITLES

We have not been provided with title documents regarding the properties, however, we have conducted title searches of the properties in the Land Registry of Hong Kong. We have not examined the original documents to verify the ownership and encumbrances or to ascertain the existence of any lease amendments, which may not appear on the copies handed to us. All documents disclosed (if any) are for reference only and no responsibility is assumed for any legal matters concerning the legal title and the rights (if any) to the properties. Any responsibility for our misinterpretation of the documents cannot be accepted.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY IN ACCORDANCE WITH VS4 OF THE HKIS STANDARDS

We have inspected the exterior, and where possible, the interior of the properties in respect of which we have been provided with such information as we have requested for the purpose of our valuations. We have not inspected those parts of the properties which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition. We cannot express an opinion about or advise upon the condition of uninspected parts and the attached summary of values and valuation certificate should not be taken as making any implied representation or statement about such parts. No structural survey, investigation or examination has been made, but in the course of our inspections we did not note any serious defects in the properties valued. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out to the services (if any) and we are unable to identify those services either covered, unexposed or inaccessible.

We have not carried out on-site measurements to verify the correctness of the floor areas of the properties, but have assumed that the floor areas shown on the documents and official floor plans handed to us are correct. All dimensions, measurements and areas are approximations.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous materials have been used in the construction of the properties, or have since been incorporated into the properties, and we are therefore unable to report that the properties are free from risk in this respect. For the purpose of this valuation, we have assumed that such investigation would not disclose the presence of any such materials to any significant extent.

SOURCES OF INFORMATION AND ITS VERIFICATION IN ACCORDANCE WITH VS5 OF THE HKIS STANDARDS

We have relied solely on the information provided by the management of the Company or its appointed personnel without further verification and have fully accepted advice given to us on such matters as planning approvals or statutory notices, locations, titles, easements, tenure, occupation, lettings, rental, site and floor areas and all other relevant matters.

The scope of valuation has been determined by reference to the property list provided by the management of the Company.

Information furnished by others, upon which all or portions of our work product are based, is believed to be reliable but has not been verified in all cases. Our procedures to value or work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our work product.

When we adopted the work products from other professions, external data providers and the management of the Company in our valuation, the assumptions and caveats that adopted by them in arriving at their figures also applied in our valuation. The procedures we have taken do not provide all the evidence that would be required in an audit and, as we have not performed an audit, accordingly, we do not express an audit opinion.

We are unable to accept any responsibility for the information that has not been supplied to us by the management of the Company or its appointed personnel. Also, we have sought and received confirmation from the management of the Company or its appointed personnel that no materials factors have been omitted from the information supplied. Our analysis and valuation are based upon full disclosure between us and the Company of material and latent facts that may affect the valuation.

We have had no reason to doubt the truth and accuracy of the information provided to us by the management of the Company or its appointed personnel. We consider that we have been provided with sufficient information to reach an informed view, and have had no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary amounts are in Hong Kong Dollars (“HK\$”).

LIMITING CONDITIONS

Our opinion of values of the properties in this report are valid only for the stated purpose and only for the Date of Valuation, and for the sole use of the named Company. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and the valuer accepts no responsibility whatsoever to any other person.

Our valuations have been made on the assumption that no unauthorised alteration, extension or addition has been made to the properties, and that the use of the attached valuation certificate should not be used as a building survey of the properties. If the management of the Company wants to satisfy them as to the condition of the properties, then the management of the Company should obtain a surveyor's detailed inspection and report of their own.

No responsibility is taken for changes in market conditions and local government policy and no obligation is assumed to revise the attached valuation certificate to reflect events or conditions, which occur or make known to us subsequent to the date hereof.

Neither the whole nor any part of this report or any reference made hereto may be included in any published documents, circular or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this report in this circular to the Company's shareholders' reference.

Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

The Company is required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our report except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

Our valuations have been prepared in line with the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as well as the guidelines contained in both IVS and the HKIS Standards. The valuations have been undertaken by valuers, acting as external valuers, qualified for the purpose of the valuations.

We retain a copy of this report together with the data from which it was prepared, and these data and documents will, according to the Laws of Hong Kong, keep for a period of 6 years from the date of this report and to be destroyed thereafter. We considered these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the Company's authorisation and prior arrangement made with us. Moreover, we will add Company's details in our client list for future reference.

We hereby certify that the fee for this service is not contingent upon our conclusion of values and we have no significant interest in the properties, the Group or the values reported.

Our valuations are summarised below and the valuation certificate is attached.

Yours faithfully,
For and on behalf of
LCH (Asia-Pacific) Surveyors Limited

Joseph Ho Chin Choi
B.Sc. RPS (GP)
Managing Director

Elsa Ng Hung Mui
B.Sc. M.Sc. RPS (GP)
Associate Director

Contributed valuers

Leslie Wong Tak Chiu *BSc*

Notes:

1. Mr. Joseph Ho Chin Choi has been conducting assets valuation (including real estate properties) and advisory work in Hong Kong, Macau, Taiwan, mainland China, Japan, South East Asia, Australia, Finland, Germany, Scotland, Guyana, Canada and the United States of America for various purposes since 1988. He has more than 19 years of experience in valuing real estate properties in mainland China.
2. Ms. Elsa Ng Hung Mui is a Registered Professional Surveyor who has been conducting valuation of real estate properties in Hong Kong since 1994 and has more than 9 years of experience in valuing properties in mainland China.
3. Both Mr. Joseph Ho Chin Choi and Ms. Elsa Ng Hung Mui are valuers in the List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the HKIS.

SUMMARY OF VALUES

**Properties owned by the Group in Hong Kong for investment
and valued on the basis of Market Value**

Property	Interest attributable to the Group	Amount of valuations in existing state attributable to the Group as at 30 April 2008 HK\$
1. Factory Unit A on each 2nd, 9th and 10th Floors, Factory Unit B on each 5th, 9th and 10th Floors and Car Parks Nos. 4, 11 and 20 on Ground Floor Mai Sik Industrial Building Nos. 1/11 Kwai Ting Road Kwai Chung New Territories Hong Kong	100 per cent	17,290,000
2. Factory Unit A on 6th Floor, Factory Unit B on each 6th and 13th Floors Mai Sik Industrial Building Nos. 1/11 Kwai Ting Road Kwai Chung New Territories Hong Kong	100 per cent	7,450,000
Grand Total:		HK\$24,740,000

VALUATION CERTIFICATE

**Properties owned by the Group in Hong Kong for investment
and valued on the basis of Market Value**

Property	Description and tenure	Particulars of occupancy	Amount of valuations in its existing state attributable to the Group as at 30 April 2008 HK\$
1. Factory Unit A on each 2nd, 9th and 10th Floors, Factory Unit B on each 5th, 9th and 10th Floors and Car Park Nos. 4, 11 and 20 on Ground Floor Mai Sik Industrial Building Nos. 1/11 Kwai Ting Road Kwai Chung New Territories Hong Kong 130/706th shares of and in Kwai Chung Town Lot No.125 ("the Lot")	The property comprises 6 factory units on various floors and 3 car parking spaces on the Ground Floor of a 16-storey industrial building. The building was completed in 1972. The property excluding car parking spaces has a total gross floor area of approximately 38,564 sq. ft. (3,582.68 sq. m.) and a total saleable area of approximately 30,956 sq.ft. (2,875.88 sq.m.). The Lot is held under a Government Lease for a term of 99 years thereof commencing from 1 July 1898 (as extended until 30 June 2047 under Section 6 of the New Territories Leases (Extension) Ordinance 1988).	The factory units and carparking spaces of the property are subject to various tenancies having a total monthly rental of HK\$130,000 as at the Date of Valuation. (see Note 3 below). The property is for production and ancillary office purposes.	17,290,000 (100% interest) (See Note 4 below)
	The current annual Government Rent payable for the Lot is equal to 3 per cent. of the rateable value for the time being of the Lot.		

Notes:

1. The registered owner of Factory Unit A on each 2nd, 9th and 10th Floors, Factory Unit B on each 5th, 9th and 10th Floors and Car Park Nos. 4, 11 and 20 on the Ground Floor is Capital Asset Management Limited (formerly known as Capital Assets Management Limited and Cheong Ming Properties Limited), a wholly- owned subsidiary of the Company.
2. Factory Unit B on 5th Floor, Factory Units A and B on 10th Floors and Car Park No. 4, on Ground Floor of the property are subject to mortgage and further charges for all Monies all in favour of Standard Chartered Bank (Hong Kong) Limited (formerly known as Standard Chartered Bank). Factory Unit A on 2nd Floor and Carparking Space No.20, on Ground Floor of the property are subject to duplicate copy of order under S. 26 of the Building Ordinance.
3. The breakdown of the rental of the property is as follow:

Unit	Rental	Leasing term
2A	\$27,000	1 March 2007 – 28 February 2009
5B	\$20,000	1 July 2007 – 30 June 2008
9AB	\$80,000	1 November 2007 – 31 October 2009
10AB		
CPS No.11		
CPS No.20		
CPS No.11 (night parking)	\$1,000	1 March 2007 – 28 February 2009
CPS No.4	\$2,000	1 March 2007 – 28 February 2009

4. The breakdowns of the market value of the property is as follow:

Unit	Market Value (HK\$)
2A	3,740,000
5B	2,590,000
9A	2,390,000
9B	2,400,000
10A	2,390,000
10B	2,400,000
CPS No.4	530,000
CPS No.11	510,000
CPS No.20	340,000

Property	Description and tenure	Particulars of occupancy	Amount of valuations in its existing state attributable to the Group as at 30 April 2008 HK\$
2. Factory Unit A on 6th Floor, Factory Unit B on each 6th and 13th Floors Mai Sik Industrial Building Nos. 1/11 Kwai Ting Road Kwai Chung New Territories Hong Kong 60/706th shares of and in Kwai Chung Town Lot No.125 ("the Lot")	The property comprises 3 factory units on 6th and 13th Floors of a 16-storey industrial building. The building was completed in 1972. The property has a total gross floor area of approximately 18,255 sq. ft. (1,695.93 sq. m.) and a total saleable area of approximately 14,415 sq.ft. (1,339.19 sq.m.). The Lot is held under a Government Lease for a term of 99 years thereof commencing from 1 July 1898 (as extended until 30 June 2047 under Section 6 of the New Territories Leases (Extension) Ordinance 1988). The current annual Government Rent payable for the Lot is equal to 3 per cent. of the rateable value for the time being of the Lot.	The factory units are currently subject to various tenancies having a total monthly rental of HK\$61,500 as at the Date of Valuation. (<i>see Note 3 below</i>). The property is for production and ancillary office purposes.	7,450,000 (100% interest) (<i>See Note 4 below</i>)

Notes:

- The registered owner of Factory Unit A on 6th Floor, Factory Unit B on each 6th and 13th Floors is Cheong Ming Press Factory Limited, a wholly-owned subsidiary of the Company.
- Factory Units A and B on 6th Floor of the property are subject to mortgage to secure general banking facilities all in favour of Standard Chartered Bank (Hong Kong) Limited (formerly known as Standard Chartered Bank). Factory Unit A on 6th Floor of the property is subject to order No. DBZ/U04-27/0002/05 dated 24 July 2006 by the Building Authority under S. 26 of the Building Ordinance.
- The breakdown of the rental of the property is as follow:

Unit	Rental	Leasing term
6A	\$19,500	1 March 2007 – 28 February 2009
6B	\$21,000	1 March 2007 – 28 February 2009
13B	\$21,000	1 March 2007 – 28 February 2009

- The breakdowns of the market value of the property is as follow:

Unit	Market Value (HK\$)
6A	2,500,000
6B	2,510,000
13B	2,440,000

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") or which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO were as follows:

Long position in the Shares

Name of Directors	Number of Shares held				Total interests as % of the issued share capital
	Personal interests (held as beneficial owner)	Family interests	Other interests	Total interests	
Lui Chi	–	318,501,286 (Note 1)	318,501,286 (Note 1)	318,501,286	52.28%
Lui Shing Ming, Brian	5,468,750	–	318,501,286 (Note 2)	323,970,036	53.18%
Lui Shing Cheong	3,906,250	–	318,501,286 (Note 2)	322,407,536	52.93%
Lui Shing Chung, Victor	3,906,250	1,562,500 (Note 3)	318,501,286 (Note 2)	323,970,036	53.18%

Notes:

1. Mr. Lui Chi is interested in 318,501,286 Shares by virtue of (i) his being a founder of a discretionary trust, the discretionary objects of which include Messrs. Lui Shing Ming Brian, Lui Shing Chung Victor, Lui Shing Cheong and other family members of Mr. Lui Chi; and (ii) his spouse is also a founder of the discretionary trust.
2. The 318,501,286 Shares are owned by Harmony Link Corporation, a company incorporated in the British Virgin Islands. Approximately 48.4% of the issued share capital of Harmony Link Corporation is held by The Lui Family Company Limited as trustee of The Lui Unit Trust. All units (except 1 unit which is owned by Mr. Lui Shing Ming Brian) of The Lui Unit Trust are held by Trident Trust Company (B.V.I.) Limited as trustee of a discretionary trust, the discretionary objects of which have been disclosed in Note (1) above. Mr. Lui Chi and his spouse, Madam Ng Sze Mui are the founders of the discretionary trust. Each of Messrs. Lui Shing Ming Brian, Lui Shing Chung Victor and Lui Shing Cheong further owns approximately as to 24.13%, 14.59% and 12.88% of the issued share capital of Harmony Link Corporation respectively.
3. The 1,562,500 Shares are owned by the spouse of Mr. Lui Shing Chung, Victor.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests and short positions in the Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code or which were required to be entered into the register required to be kept under section 352 of the SFO.

(ii) Interests and short positions of Shareholders discloseable under the SFO

- (a) As at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholders	Long/Short position	Capacity	Number of Shares/ underlying Shares held	Percentage of issued capital
Ng Sze Mui	Long	Founder of a discretionary trust	318,501,286 (Note 1)	52.28%
Ng Shuk Fong, Aman	Long	Beneficial owner and interest of spouse	323,970,036 (Note 2)	53.18%
Harmony Link Corporation	Long	Beneficial owner	318,501,286	52.28%
The Lui Family Company Limited	Long	Trustee	318,501,286 (Note 3)	52.28%
Trident Trust Company (B.V.I.) Limited	Long	Trustee	318,501,286 (Note 3)	52.28%

Notes:

- (1) Interests in these Shares represent interests held by Madam Ng Sze Mui by virtue of her being a founder of a discretionary trust which has interests in 318,501,286 Shares, details of the trust have also been disclosed in Note (1) under section (i) "Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations" above.
- (2) Interests in these Shares include interests in 1,562,500 Shares held by Madam Ng Shuk Fong, Aman personally and interests in 322,407,536 Shares through interest of her spouse, Mr. Lui Shing Chung, Victor as disclosed under section (i) "Directors' and chief executive's interest and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations" above.
- (3) The two references to 318,501,286 Shares relate to the same block of Shares. Each of The Lui Family Company Limited as trustee of The Lui Unit Trust and Trident Trust Company (B.V.I.) Limited as trustee of a discretionary trust is taken to have a duty of disclosure in relation to the interests of Harmony Link Corporation in the Shares as described in Note (2) under section (i) "Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations" above.
- (4) Messrs. Lui Chi, Lui Shing Ming, Brian, Lui Shing Cheong and Lui Shing Chung, Victor are directors of Harmony Link Corporation and The Lui Family Company Limited respectively.

- (b) As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following person (other than a Director or chief executive of the Company) was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any subsidiaries of the Company:

Name of subsidiary	Name of shareholder	Total amount of registered capital/number of issued shares of subsidiary being interested	Percentage of shareholder's interest in registered capital/issued share capital
Capital Financial Publishing Limited	Capital Cyber Limited	40 shares of HK\$1.00 each	40%

- (c) Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware that there being any party (not being a Director or chief executive of the Company) who, as at the Latest Practicable Date, had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such Shares.

3. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Company or any member of the Group.

4. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had a service agreement with the Company or any member of the Group which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

5. CONTRACTS OR ARRANGEMENT AND COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors nor their respective associates was interested in any business, apart from the business of the Group, that competes or may compete, either directly or indirectly, with the business of the Group, or has any other conflict of interests with the Group.

Other than the Disposal as contemplated under the Agreements as disclosed in this circular, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of or leased to, or which are proposed to be acquired, disposed of or leased to the Company or any member of the Group since 31 March 2007 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

As at the Latest Practicable Date, there was no contract or arrangement entered into by any member of the Group subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 March 2007 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

7. EXPERTS AND CONSENTS

The following are the experts, and their qualifications, who have given opinion contained in this circular:

Name	Qualification
Hercules	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
LCH (Asia-Pacific) Surveyors Limited ("LCH")	Chartered surveyors

Each of Hercules and LCH has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its reports or opinion as set out in this circular and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of Hercules and LCH was beneficially interested in the share capital of any member of the Group, nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interest in any assets which were, since 31 March 2007 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, or proposed to be acquired or disposed of by or leased to, any member of the Group.

8. MISCELLANEOUS

- (i) The company secretary of the Company is Mr. Fung Kwok Keung and the qualified accountant of the Company is Mr. Ng Wai Li, Adrian. They are associate member of Hong Kong Institute of Certified Public Accountants.
- (ii) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business of the Company in Hong Kong is situated at Unit 2608, Level 26, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Fong, New Territories, Hong Kong.
- (iii) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (iv) In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text thereof.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the head office and principal place of business of the Company at Unit 2608, Level 26, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Fong, New Territories, Hong Kong during normal business hours on any weekdays other than public holidays up to and including 9 July 2008:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the 2006 and 2007 annual reports of the Company containing audited consolidated financial statements of the Group for the two years ended 31 March 2006 and 31 March 2007, and the interim report of the Company for the six months ended 30 September 2007;
- (iii) the letter from Hercules containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed "Letter from Hercules" in this circular;
- (iv) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Board Committee" in this circular;
- (v) the written consents referred to in the paragraph headed "Experts and consents" of this appendix;
- (vi) the First Agreement; and
- (vii) the Second Agreement.

NOTICE OF SPECIAL GENERAL MEETING



CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Cheong Ming Investments Limited (“**Company**”) will be held at 9:30 a.m. on Wednesday, 9 July 2008 at Tang Room II, Sheraton Hong Kong Hotel and Towers, 20 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions each as an ordinary resolution of the Company:

ORDINARY RESOLUTIONS

- “1. **THAT** the sale of Factory Unit A of 2nd, 9th and 10th floors, Factory Unit B of 5th, 9th and 10th floors and Car Parks Nos. 4, 11 and 20 on the ground floor located in Mai Sik Industrial Building, Nos. 1/11 Kwai Ting Road, Kwai Chung, New Territories, Hong Kong (“**First Properties**”) by Capital Asset Management Limited as vendor to Mr. Lui Shing Ming Brian (“**Purchaser**”) as purchaser (or one or more company nominated by the Purchaser) on the terms and conditions contained in the agreement for sale and purchase of the First Properties dated 2 June 2008 (a copy of which has been produced to this meeting and marked “**A**” and initialled by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder be and they are hereby approved, and the directors of the Company (“**Directors**”) be and they are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to the said sale and all transactions contemplated under said agreement for sale and purchase of the First Properties and anything in connection therewith and to agree to any variations, amendments and waivers of any of the terms of the said sale which are in the opinion of the Directors not material to the said sale and are in the interests of the Company.”
- “2. **THAT** the sale of Factory Unit A of 6th floor and Factory Unit B of 6th and 13th floors located in Mai Sik Industrial Building, Nos. 1/11 Kwai Ting Road, Kwai Chung, New Territories, Hong Kong (“**Second Properties**”) by Cheong Ming Press Factory Limited as vendor to Mr. Lui Shing Ming Brian (“**Purchaser**”) as purchaser (or one or more company nominated by the Purchaser) on the terms and conditions contained in the agreement for sale and purchase of the Second Properties dated 2 June 2008 (a copy of which has been produced to this meeting and marked “**B**” and initialled by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder be and they are hereby approved, and the directors of the Company (“**Directors**”) be and they are hereby authorised to do all such acts and things, to sign and execute all such further documents and

NOTICE OF SPECIAL GENERAL MEETING

to take such steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to the said sale and all transactions contemplated under said agreement for sale and purchase of the Second Properties and anything in connection therewith and to agree to any variations, amendments and waivers of any of the terms of the said sale which are in the opinion of the Directors not material to the said sale and are in the interests of the Company.”

By Order of the Board of
Cheong Ming Investments Limited
Lui Chi
Chairman

Hong Kong, 23 June 2008

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:

Unit 2608, Level 26
Metroplaza, Tower II
223 Hing Fong Road
Kwai Fong
New Territories
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint another person as his proxy to attend and vote on his behalf and such proxy need not be a member of the Company. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company (“**Shares**”) may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A form of proxy for use at the above meeting is enclosed.
- (2) In the case of joint holders of any Share, any one of such joint holders may vote at the above meeting, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders are present at the above meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time appointed for holding of the above meeting or any adjournment thereof.
- (4) Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the above meeting or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
- (5) The Purchaser and his associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) are required to abstain from voting on the above resolutions proposed to be passed at the above meeting. Voting on the above resolutions proposed to be passed at the above meeting will be taken by poll.

As at the date of this notice, the executive directors of the Company are Mr. Lui Chi, Mr. Lui Shing Ming Brian, Mr. Lui Shing Cheong and Mr. Lui Shing Chung Victor and the independent non-executive directors of the Company are Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man Carmen.